



Republican Policy Committee

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Six Senators Say Filibuster Should End, Tax Cut Should Be Voted On and Enacted

For two weeks in May, obstruction by the President's party has prevented the Senate from voting on the question of repealing the 4.3-cent gas tax hike that was enacted under President Clinton and his party in Congress in 1993. Six Senators went to the floor of the U.S. Senate on May 13 to advocate repealing the tax hike on gasoline. Attached are the statements by Senators Coverdell, Thomas, Hutchison, Craig, Kyl, and Lott, as published in the May 13 *Congressional Record*.

The Senators' remarks included the following points:

- A repeal of the 4.3-cent tax hike would reduce the price of commuting, the price of transporting goods down the highway, or off the farm; it would reduce air fares, bus fares, and cab fares — and put money back into the checking accounts of virtually every American and every business.
- Gas taxes, state and federal, average 38 cents on the gallon. That's fully a third of the total cost of the product to the purchaser. That hefty tax is borne most heavily by the lower-income earners, who have to pay much more in gas taxes as a percentage of total household income.
- The legislation before the Senate makes clear the Senate's intention that all the money from the tax repeal should come back to the consumer's pocketbook. It authorizes the Comptroller General to determine whether the pass-through occurred and report his finding to Congress.
- Spending by the federal government and taxes levied by Uncle Sam have both increased under this Administration. Many families in America prefer tax relief to increased federal spending; this tax repeal saves Americans at least \$4.5 billion a year. The majority party in Congress believes families ought to be able to decide how to spend more of their own money.

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[See attached *Congressional Record* statements. Senators' remarks begin on the following pages: Coverdell (GA) and Thomas (WY), S4961; Hutchison (TX), S4963; Craig (ID), S4964; Kyl (AZ), S4965; Lott (MS), S4966.]

tion's imposition of a 4.3-cent gas tax that was imposed on the country in August 1993. The President has now said that he will sign the repeal of this gas tax, and he gave several suggestions as to how it should be funded. The other side of the aisle for the last week has been standing in front of our attempt to repeal this gas tax; it has gotten caught up in the minimum wage, whereupon the majority leader came forward with new suggestions about the new workplace. That was objected to by the other side of the aisle.

We are now in the midst of having to file a cloture motion to see if we can end debate on the majority leader's suggestion and proposal to repeal the gas tax. As the Chair has suggested, there will be a vote at 2:15 p.m. tomorrow on whether or not we can come to cloture, whether or not we can end debate, whether or not we can stop day after day after day of standing in the way of the repeal which is so important to America's average working families.

The specific amendment offered by Senator DOLE, repeals the 4.3-cent-per-gallon gas tax until December 31, 1996, although there are many of us—this is the interim repeal—who, in the budget, want to repeal it permanently. It expresses the sense of Congress that 4.3 cents per gallon should be passed on to the customers.

There has been a lot of discussion about whether or not this would actually get to the pump and that the price was lowered in the midst of these very large gasoline prices at the pumps all across the country. So this has a sense of the Congress that this reduction in tax we expect to see occur at the pump. It authorizes a study by the Comptroller General as to whether the 4.3-cent-per-gallon savings were passed through to the consumer. That report would be due January 31, 1997.

The repeal does not add to the deficit. It specifically pays for it. This has been modified; \$800 million of this tax relief will come in reduced expenditures at the Department of Energy in their administrative overhead; \$2.5 billion of this tax relief will come from the spectrum auction completed by March 1997, and \$1.7 billion in the offset from the bank insurance fund and the savings association insurance fund, raising the revenues to capitalize that fund, reduce pressure on the general fund, bringing \$1.7 billion in additional tax relief.

So, as you can see here, it is about \$4.5 billion worth of tax reductions on the average working families in our country.

With regard to the suggestions which began to surface last week that this was an exercise in futility because the American people would never see it, you will note that it commissions the Comptroller General to certify that the consumers got it. It has a sense of the Congress suggesting that it must be passed on to the consumers.

In addition to this, when Senator DOLE spoke late last week, he intro-

duced into the RECORD letters from Arco, Texaco, and Exxon. Here is one:

ARCO Chairman and CEO, Mike R. Bowlin, said today that "if the Federal Government reduces the gasoline excise tax by 4.3 cents per gallon, ARCO will immediately reduce its total price at its company-operated stations and to its dealers by 4.3 cents per gallon."

A similar letter from Texaco, Incorporated; a letter to Senator DOLE from the American Bus Association:

DEAR SENATOR DOLE: On behalf of the American Bus Association, I thank you once again for your proposal to repeal the 4.3 cents per gallon deficit reduction fuel tax. We fully support your efforts in this regard.

From Carol Hallett, the Air Transport Association:

DEAR MR. LEADER: We have been asked whether the reduction in the 4.3 cents-per-gallon transportation fuels tax will result in lower air fares to consumers. As you know, the Air Transport Association has no role in the setting of air fares. Moreover, we do not suggest or take any action which may result in our member carriers adjusting fares. However, notwithstanding those limits, I would like to address your inquiry.

It goes on to say that it would, indeed, reduce air fares.

So air fares, bus fares, cab fares, the working family, the car pool, this effort puts additional and very much needed funds into the checking account of every working family, every working business, all those who depend on public transportation and private transportation. It has a positive effect that is reached all across the board.

So, I am very hopeful that this week we will see a conclusion and a positive step taken on behalf of American families and businesses all across our land as we begin the process of reducing the economic burden on those families.

Mr. President, I understand the Presiding Officer would like to speak on this proposal. I am prepared to yield up to 10 minutes to the Presiding Officer to match with his schedule, and then I will assume the role of Presiding Officer during the remarks of the Senator from Wyoming.

(Mr. COVERDELL assumed the chair.)

Mr. THOMAS addressed the Chair. The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. THOMAS. Mr. President, I would like to take advantage of the 10 minutes you granted to talk a little bit about this tax decrease that is on our menu today. We have talked about it for some time, but I think it is always useful to refresh ourselves about exactly what we are talking about, as the Senator from Georgia indicated, and I appreciate him bringing together this time to talk about it.

We are talking about 4.3-cent tax cut on the gas tax. The average gas tax in this country is about 38 cents, about half of which is Federal, half of which is State. We had a chart the other day at a hearing that we held. It showed the cost of crude, the cost of refining, and the cost of taxes. The three of

GAS TAX AND THE BUDGET

Mr. COVERDELL. Mr. President, for an extended period of time, we have been engaged in an attempt to repeal the President's and this administra-

them were nearly equal. So we have substantial tax on fuel. The unique thing about this 4.3 cents, that I think everyone needs to understand, is that it is the only part of the gas tax that does not go to the maintenance and preparation of highways. This was added onto highway users and to drivers for other purposes—to go to social programs, to go to general spending. I think that is a problem. I think that is a problem in direction. We have always tied together the gas tax to the preparation of highways and the maintenance of highways, to building the Federal highway program to serve all States. Here, now, we deviate from that and use this source—we take it away from what gas taxes were really intended to be for and to use them for general spending. I think that is a mistake. Why should it not be 10 cents more or 15 cents more, when some believe we need the money?

The reduction would be, temporarily at least, until the end of this calendar year. That is what we are talking about. We are talking about a tax that was part of the President's tax increase in 1993, the largest tax increase in the history of this country, \$260 billion of tax increase. The President has indicated when he had his tax increase he was going to tax the rich. Let me tell you, a gas tax does not tax the rich. A gas tax taxes everyone. Selfishly, I have to tell you, it taxes people in my State twice as much as it does the people in the District of Columbia because we are the ninth largest State—100,000 square miles and 50,000 people. We drive a lot. We have no public transportation.

So it is an unfair tax regionally. It is an unfair tax in terms of income. It is paid by everyone, despite their income. In fact, the lower one-fifth of earners in this country pay 4½ times as much in this tax as do the top fifth, because it is not related to income.

Mr. President, I have never favored the tax. I voted against it, as you did, and all Republicans did; partly because I am not one who thinks we ought to look for more taxes. I believe strongly in what I think was the message of the 1994 election, that the Federal Government is too big and it costs too much and we are overregulated. So we ought to be looking at ways to find efficiency, we ought to be looking at ways to reduce the expenditures, as opposed to finding more taxes so we can continue to grow.

By the way, there is a great deal of talk, and I am pleased for that, that the deficit is down. It is down because we have more taxes. Spending is up. Spending continues to go up. I think we ought to be going the other way.

Some say a reduction in taxes by 4.3 cents will not go to the consumer. I think it will. I do not think it should be done necessarily because gas prices are high. That does focus on it and gives us an opportunity to talk about it, but I think it should be done regardless of where gas prices are. When the

money does not go to highways, when it is an increase in taxes to the lowest income-earners in our country, then I think we ought to change that.

I ran into this in the House a couple of years ago. When we talk about the details of issues—in that case it happened to be land use issues, in this case it happens to be taxes—we can go on and on about the details of why you should do it or why you should not do it. The fact is, it is basically a philosophical question. My friend on the other side of the aisle who talks quite often comes from a Western State and is against the repeal. He is against the repeal and I am for it because he and I differ in philosophy. He likes more Government. I would like to have some less. If you like more Government you need more taxes. If you think the Government is better at spending people's money than having them keep it for themselves, then more taxes are the appropriate thing to do, and I understand that. It is a legitimate point of view. It does not happen to be mine. My only point is, when we get into the details of some of these things, the details really are not the issue. The issue is the philosophy. The issue is the philosophy.

If you want more Government, if Government is the best answer to all of our problems, then you should be for more taxes because you certainly ought to pay for at least a portion of the program you have. If you believe Government can spend the money better than the people who earn it, and more efficiently—and there are those who do—then you should be for more taxes.

The argument that is used is: It harms the deficit. Let me tell you something, spending next year will be \$1,600 billion, \$1.6 trillion. In that budget, if we cannot find offsets of \$4 billion in programs that ought to be reduced, indeed ought to be eliminated, I will—almost anybody can find them. The Presiding Officer has outlined most of them. They will be used for offsets.

The other argument is it will not be used for consumers. I do not believe that. As competitive as this industry is, if I have a service station on one corner and I reduce the price, you do not think everyone else on the other corners is going to? Of course they are. Furthermore, they have said they would.

So, I think this is an issue that really reaches in the direction we have been going. I think the Presiding Officer talked a little bit about the frustration of the slowness of action on this particular issue. We have been talking about it now for 2 weeks. Our friends on the other side of the aisle will not let it move and have adopted a very defensive position about everything that is sought to be done.

I just want to say a little bit, off that subject. I have thought about this a little bit, and frankly I am a little frustrated. This is my second year in the Senate. I am pretty frustrated with the

fact we do not move, we do not decide to take up an issue and vote on it. That is what voting is for, to make those decisions. Instead, we use the system to procrastinate.

But, as I reflected on it, I am really pleased in what has happened over the last year and a half. We have seen a total redirection in this Senate. We have seen a total redirection from what has been going on for 40 years—and that has been one of the difficulties. We have been going along with pretty much of a New Society, Great Society Program started with Lyndon Johnson. How long ago was that? Each year we have come here and we have said, "How much more will we spend on these same programs?" For the first time in 25 years, we talked about balancing the budget. We are going to balance the budget. We are going to commit ourselves to it.

We have changed the whole direction of the discussion from how much more do you add to balancing the budget and doing it by reducing the size of Government and reducing taxes, by transferring some functions to States, doing away with some functions, putting some functions in the private sector, but continuing then to look for efficient ways to deliver those services that are essential, that do need to be there. Let me tell you, there are plenty of them that are not that essential and many that are.

So I am delighted that we have done that. We have done a lot of things. We have the line-item veto; we have congressional accountability; we passed unfunded mandates reform; we reduced congressional spending; we have small business regulatory reform; a telecommunications bill; lobbying reform; gift ban; a farm bill that moves it back to the marketplace for the first time in how many years? Fifty. Securities litigation reform.

So, Mr. President, I think we get frustrated, and we should. On the other hand, we have changed the whole complexion of this place in 1 year, and it is going to take longer than that to change 40 years of habits. But this is one of the ways that I think you begin, by saying, "Look, gas taxes ought to be dedicated to highways and highway construction." We have one here that is not. We have one here that is designed to keep the Government going as it was. We have an opportunity to reduce spending for the American families. We have a chance to do that.

I am very hopeful that the other side of the aisle will give us an opportunity to vote on the gas tax reduction and give us a chance to vote on some of the other issues that are there as well so we can move forward. The fact there is now a Presidential election going on does not mean that we should stop doing something, that everything has to be tied to the Presidential election. Things ought to be talked about on the merits. I understand there is a difference of view, and I recognize that.

I guess that is really what I have been trying to say. There is a philosophical difference about the size of Government, a philosophical difference about how people ought to spend their own money, a philosophical difference about taxation. And that is where we are.

I support strongly the idea of reducing this tax of 4.3 cents, continuing to reduce it in the budget and finding some places in this \$1.6 trillion budget that we can offset this and continue to do that, continue to make programs more efficient, more responsive, more close to people by involving the States.

Mr. President, I appreciate you giving me this opportunity. I appreciate what you are doing on the floor. I think we need to talk about these issues. People need to know what they are. People need to know this is a different gas tax than the other 14, 15 cents that is there. This was designed for a specific purpose, and this is a great opportunity to change it.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, I am convinced if Thomas Jefferson, or any of our august Founders were here today, they would be absolutely aghast to find that this Nation, that the workers—and it is better to characterize workers as working families today, because virtually 80 percent of what has happened in the workplace has been about working families. It is no longer a breadwinner with the family at home; it is the whole family in the workplace. Not only are both spouses in the workplace, often children of the spouses are in the workplace.

We did not have a celebration but we had a revelation last week when we were here on the floor on May 8—May 8—to acknowledge that that would be the first day that these working families would have the right to keep their paychecks. Every day prior to that—May 7, 6, 5, 4, all the way back to January 1—their paychecks belonged to the Government. It is almost unfathomable that we would have come to the point that a family would work from January 1 to May 7 and forfeit all of those wages to the Government before they had the first dime for themselves to take care of those very special needs that we charge the American family to do—house, educate, transport, feed, health, prepare the Nation for the future, to get America up the next day and to school and to work, to get them home, to get ready for the next week, the next month, the next generation. January 1 to May 7 before they get to keep their first check—that is hard to fathom.

Just to put this in perspective, and I am going to in a moment recognize the distinguished Senator from Texas, but in 1992, the President, in his campaign for Presidency, said the gas tax was a bad thing to do. He was right. The gas tax, he said, would punish the poor inordinately and the elderly. He was right. But when he got to the White House, he adopted this 4.3-cent gas tax, and as the Chair has acknowledged, the tax did not even go to build better highways or safer highways; it was put into new Federal spending—out of the pocket, out of the checking accounts of working America into the checking account of the Treasury.

Here we are 3 years later and we are simply trying to fulfill what the President said when he campaigned. We are trying to get rid of this tax that he has called an improper tax, one that is particularly hard on the poor, particularly hard on the elderly. It is exceedingly difficult for the poor. The lowest 20 percent are faced with having to pay somewhere between 7 and 8 percent of all their disposable income on gasoline. So it is entirely appropriate that this regressive tax be repealed.

With that, Mr. President, I yield up to 10 minutes to my distinguished colleague from Texas.

The PRESIDING OFFICER. The distinguished Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President. I thank the Senator from Georgia for taking this time to talk about this gas tax and why we are still talking about it.

We had this bill on the floor last week. We have been trying to make tax cuts throughout this Congress. Every time we submit a tax cut to the President, it comes back with a big veto on it.

I think we need to talk a little bit about the philosophy of why we want tax cuts. A lot of people say, "Well, why do you want tax cuts when you have a deficit?" The reason is twofold. One is, if you are going to lower the rate of growth of spending by the Government, tax cuts put more money into the economy.

But the second reason is who makes the decision about how to spend the people's hard-earned money. That is the question here. So when someone says, why tax cuts? it is because we believe that the people of this country who are working so hard to make a living for themselves and for their families should have the ability to spend their money that they earn rather than sending it to Washington for someone to decide whether this program is more important to your family than going on a family vacation or buying food to eat or having a new dress for the senior prom. Whatever the decision for a family is, we believe that family ought to be able to decide how they spend their money. That is why we are trying so hard to provide tax cuts for the middle class.

This is something that the President promised in 1992. He promised it in his

election campaign in the book "Putting People First." He said his would pass tax cuts for the middle class. But instead, what the middle-class people of this country got was the largest tax increase in the history of America. That is what happened in 1993. There were no tax cuts for the middle class in 1993 or 1994 or 1995.

The only tax bills that have been passed have been tax increases. In the 1993 President Clinton budget he increased taxes, including a 4.3-cent-per-gallon increase in gasoline taxes. This was a different kind of gasoline tax than we have seen in the past. In the past, a gasoline tax has automatically gone into the highway trust fund. It has gone as a user fee to finish and maintain our National Highway System. But not the 4.3-cent-per-gallon tax of 1993. No. That was a tax increase that was supposed to go against the deficit. 4.3 cents per gallon just went into the general fund. So we have been trying to repeal this tax since the time we voted against passing it in the first place. In fact, every Republican in the U.S. Congress and the U.S. Senate voted against this tax increase in 1993.

We are now trying to repeal the gas tax. We believe the American family is quite capable of making the decision on how that family spends its money, and so we oppose all tax increases. We think the family is more capable of making good decisions about what is right for them than somebody in Washington, DC. In my home State of Texas or in Senator COVERDELL's home State of Georgia, we believe the people who earn the money can make the decisions.

So that is why we are fighting so hard against the Democrat filibuster for this gasoline tax cut, because we believe it is very important for the working people. It is especially important in a State like mine, where people have to drive so much because there are wide open spaces and they have to go so far to get to work and to school. We think that this tax cut will be very beneficial to the working families and particularly the families that are barely making ends meet and have to drive long distances to go to work or for the essential needs for themselves and for their families.

So, Mr. President, we are trying very hard to stay consistent. We did not vote for this tax increase in the first place. Now that gasoline prices are so high, we want to take this opportunity to give a little relief to the people who are using their cars for the essentials of life, or even if it is for recreation—that is important in a family, too—we want people to have a little relief from these high gasoline prices.

We think 4.3 cents per gallon is a good place to start. I heard it said the other day say that somebody in California was trying to make the decision on whether to pay their home mortgage this month or fill up the van with gasoline. That is not a serious statement, but a joke, but it is getting to be

more and more serious when it costs \$60 to fill up a van. That will make a dent in a working person's salary and their expendable income.

So, Mr. President, I hope that the people who are going to be voting on the floor of the Senate tomorrow on this very important measure will consider the working people of this country and the tax relief that they were promised, and I hope they will make their promise good because I think it is about time that the people in Washington, DC, started thinking about the people who are out there earning a living, hoping that Government will not continue to encroach on their lives to a greater extent than is absolutely necessary.

That is what we are trying to do, Mr. President. So I appreciate the Senator from Georgia. I hope that people will think about the 4.3 cents per gallon for somebody who is filling up a car every 4 days or so. It may not seem like a lot, but it is a lot if you are barely making ends meet. This determines what disposable income is and whether you are able to do some of those extra things that you would like to do for your own family.

The bottom line is, Mr. President, we want the working people of this country to have as much of the money they earn as we can possibly let them keep. That is the difference between Congress and the President. The President would rather have Washington make these decisions.

He does not like the gas tax cut. As I understand it, he has now said that he would sign it because he is hoping to have this with the minimum wage increase as well, but it is clear that it was not his first choice. He has said on many occasions he does not want this tax cut. But, Mr. President, I hope this is just the first of many tax cuts.

I hope that we will enact the tax cuts for families in this country that were vetoed last year because that is what is going to make a difference for American families—the \$500 per child tax credit, homemaker IRA's, so the women who are staying home and raising their children will have the same opportunities for retirement security that anyone who works outside the home has. That is in the bill we sent to the President that he vetoed along with the \$500 per child tax credit and lessening the marriage penalties so families would not have to pay such a great price for getting married.

All of these things will help the American family keep the money they earn. That is the bright red line of difference between the President and this Congress. We want people to keep the money they earn for their families. We think that will make the American family stronger.

So, Mr. President, I hope that everyone will think about how much this could mean to the people of this country. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I am going to yield in a moment to my distinguished colleague from Idaho, but I do want to make a point about this. When President Clinton campaigned for the highest office in the land, he told America that he was going to lower—lower—the pressure—I want to thank my colleague from Texas for her remarks here today; I appreciate her very much, all that she does; and she alluded to this as well—but that he was going to lower the economic pressure on the working family. And I just said a moment ago that Americans work from January 1 to May 7, and every paycheck they get for every one of those days goes to the Government.

The point I want to make before I yield to the Senator from Idaho is that when President Clinton came to the White House, they earned their first check on May 6. So he has added 3 more days because of his policies—3 more days that American families have to work in addition. That is going in the wrong direction, particularly when you promised you were going to reduce the number of days that they had to work. And then we turn around and we have American families working even more. Just another example of the campaign pledge that got jettisoned in the White House.

With that, Mr. President, I yield up to 10 minutes to the Senator from Idaho.

Mr. CRAIG. Mr. President, let me thank the Senator from Georgia for, once again, taking time to bring us to the floor of the Senate to debate what has become a very important issue to Americans—America's consumers and America's driving public.

As has been said by our colleague from Texas, there are those of us who live in rural States where it is literally hundreds of miles between communities, where people commute 60, 70 miles a day, where business occurs and goods and services are provided by long distances of transportation. Any time we raise the cost of delivery of goods and services, or the cost it takes the individual consumer to provide for themselves and their families in the normal course of daily activity, we have impaired the economy of our country. That is exactly what has happened here with the kind of tax that President Clinton pushed through several years ago, of which a part was the 4.3 cent gas tax that we are talking about today and that I hope the Senate will vote to repeal this week.

Unique to this gas tax increase was the fact that, up until that time, in a temporary way, we had only had one small gas tax that had ever gone to the general fund. All the rest of the permanent increases, like this particular increase, had gone to the highway or transportation trust funds of our country, which then were dedicated to the building of roads and bridges and transportation infrastructure. As a result of

that, we have an excellent highway and transportation system, because we have always been smart enough and clear enough in our direction as a country to recognize that citizens would be willing to pay dedicated taxes to dedicated funds for specific purposes. And that has always largely been true of raises or increases in the fuel or gas tax when it was dedicated. I know it has certainly been true in my State of Idaho.

While our citizens are concerned about taxes and believe, as I do, that they are much too high, they have always largely been willing to support the kind of taxes that were dedicated to a broad, general purpose like transportation. And as a result of it, we have had and seen built excellent transportation systems.

This is different—substantially different. Our President said that he would oppose increasing a gas tax as a candidate in 1992. He said it was regressive and unfair to working families. And he was right. In fact, I have a letter here from the International Brotherhood of Teamsters, Ron Carey, general president, asking the Senate of the United States and the Congress to repeal the 4.3-cent tax. The reason is exactly the kind of reason I have just given. Not only does it affect the working men and women of the Brotherhood of Teamsters, but based on the average trucker purchasing 14,000 gallons per year of diesel fuel, it is estimated that a repeal of the 4.3-cent tax per gallon will save trucking companies \$600 per vehicle per year—largely a \$600 cost that must be passed through to the goods and services that the trucking industry sends around our country.

That, of course, is exactly, I think, the concern that many of us have. Once you start a tax like this, unless it is truly a dedicated tax, it simply begins the snowballing effect of being added onto the cost of consuming in this country and to the costs that our families must bear up under as they go about their daily lives. Certainly, in the farming and ranching business of my State, where all goods and services must be transported over long distances to get to the home operation, this kind of tax increase has a substantial impact upon the working families of my State.

It is said that the tax-and-spend attitude of this administration, and this tax, coupled with the largest tax increase in history that was pushed through by a Democrat Congress and by this President several years ago, has destroyed over 1.2 million jobs in our country, and that the cost to the average American family has been \$2,600 a year in higher taxes and lower earnings. We have heard of the frustration that the working families of our country have this year, and that the average citizen has, that somehow their wage increases do not translate into greater spendable income. Mr. President, here is one of the reasons why. Immediately, they have to pay more

dollars at the pump on an annual basis, and their cost of living and providing for their families, as a result, goes up. That has clearly been a part of the reason that we have seen the rather flat growth in the U.S. economy, as a result of the Clinton tax increase. Now I think all of us recognize it as truly the Clinton crunch on the working men and women of our country.

In Idaho alone, repeal of this gas tax increase would represent a \$32 million savings to consumers, to people who stop nearly two times a week at the gas pump to fill up because of their long-distance commuting.

There is something else that is interesting. I serve, as does the Presiding Officer, on the Energy and Natural Resources Committee here in the Senate. Just last week, we went through a morning of hearings looking at why we are in the gas price spiral that the consuming public is now experiencing, and what it was doing, and whether we could anticipate some leveling off of it, and what the general impact is of what is happening.

Here is a chart that came out of that hearing that I thought was most significant. It begins to explain part of the overall picture of what the average consumer pays for at the gas pump. The real cost of raw materials is 42 percent of what you pay for at the pump. But the thing I found most interesting was this figure over here—that motor fuel taxes represents over 30 percent of every dollar spent at the fuel pump. That is both State and Federal. You know, Mr. President, I know of no other consumer good in our country where within the cost of the purchase of that good is built in a 30-percent tax. While I think all of us would agree that some of these taxes over the years built into the cost of fuel have been very positive—I have already talked about the roads, bridges, interstate transportation system, and now some of the inner-city rail that is receiving the benefits of this tax—but none of it ever went in a permanent way—I repeat, a permanent way—to welfare, to food stamps, to the general fund expenditures of the Federal Government, until President Clinton pushed through this tax a couple of years ago. This tax had always been dedicated to the general economic well-being of our country. By that I mean the constant ability to improve the transportation systems that allow the flow of our economy to improve on an aggressive basis. Clearly, our wealth as a nation has been our ability to move goods and services at low costs, and that is why we were always committed to this kind of a tax.

That is why I stood on the floor of the Senate, having opposed this tax when it was passed and now supporting its repeal because instead of it going into the pool that builds the roads and bridges, it is now being used in a way where it should not be. And, yet, the American people are led to believe, because of the historic use, that it is part of this mix.

I think 30 percent of any good in the market going to taxes is extremely high, and is in this instance much, much too high.

I hope that the Senate will agree with us this week and support a full repeal of the 4.3-cent gas tax.

Mr. President, I ask unanimous consent that the letter from the president of the International Brotherhood of Teamsters be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, AFL-CIO,
Washington, DC, May 7, 1996.

DEAR SENATOR: The International Brotherhood of Teamsters supports the repeal of the 4.3 cents per gallon gas tax. Almost three-hundred thousand of our members who work in the trucking industry are directly affected by the recent upward spiral of gasoline prices. And, all of our 1.5 million members and their families, as consumers, are paying much higher prices for gas at the pump than a few weeks ago.

The trucking industry, in particular the less-than-truckload (LTL) sector, has experienced a severe decline in recent years due to industry overcapacity and the severe erosion of rates. Deregulation of intrastate trucking in January 1995 has produced a wave of discounting as regional carriers expanded aggressively into new short-haul markets, while demand for trucking services softened because of slower economic growth. Those trucking companies hanging on for survival are now experiencing increased costs because of the jump in gas prices at a time when they can least afford it.

Based on the average trucker purchasing 14,000 gallons per year of diesel fuel, it is estimated that a repeal of the 4.3 cents per gallon gas tax will save trucking companies \$600 per vehicle per year. For many, that means the difference between surviving the current downturn in the industry or going out of business. Teamsters and other truck drivers face a "double whammy." They may not only lose their jobs, but they also suffer from the regressive nature of a gas tax at the pump.

While repeal of this gas tax would mean a loss of revenue of over \$5 billion a year, the Teamsters offer this solution—put real "fairness" back in the tax code. A good first step would be to repeal or modify the oil depletion allowance, which lets oil companies claim tax deductions that are worth more than the cost of their investments. That would more than make up for this shortfall! We urge you to support the repeal of the 4.3 cents per gallon gas tax.

Sincerely,

RON CAREY,
General President.

Mr. CRAIG. Mr. President, let me close by saying that the billions of dollars that the consuming public now pays in the form of this tax—the \$32.1 million that Idahoans pay—does nothing to improve or stimulate the economy of our country. It is not building a road. It is not building a bridge. It is not patching a pothole. It is being spent on day-to-day costs of our Government through the general fund. This is the first time in our history that we have done this.

It is now time that in a little but most significant way we can drop the price of gas at the pump by repealing

this tax and, as importantly, righting the wrong that occurred several years ago when President Clinton passed this tax through. I hope once we correct this, we will say that never again will we ever put a dedicated fuel tax into the general fund of our country, that, if we are going to continue to increase this part of the dollar purchasing pie of the American consumer, when it comes to transportation costs of fuel, that it go to serve the transportation needs of our country and to continue to build and maintain that infrastructure that has served us so well.

Having said those words, I believe it is so important that we respond now and as soon as the Senate can to this issue. I heard from a good many of my constituents who think the Senate is clearly moving in the right direction to repeal this tax. I hope we respond this week.

I yield the floor.

Mr. COVERDELL. Mr. President, I thank the Senator from Idaho for his very informative demonstration of the distribution of the cost of gasoline. I wonder before he leaves the Chamber if I might borrow the letter that he entered into the RECORD for discussion maybe a little bit later on this afternoon.

At this time, Mr. President, I am going to yield to my colleague from Arizona up to 10 minutes on the issue of repeal of the gasoline tax.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Thank you, Mr. President. I thank the Senator from Georgia for yielding the time and for bringing us to the floor to talk about this most important matter.

In my State of Arizona, people drive long distances, as they do in the State of Idaho. The gas tax, therefore, is a very important matter to us. Most Arizonans, by the way, are very much in favor of the repeal of this Clinton gas tax.

I want to start by quoting from Bill Clinton, who was then a candidate for President. When he ran for office, he said, "I oppose Federal excise gas tax increases." Then, of course, about 2½ years later, he included a Federal gasoline excise tax as part of the biggest tax increase in the history of this country, which he and the majority of the Members of Congress imposed upon our taxpayers.

The point that I would like to begin with is that, as much as the President talks about trying to protect the poorer in our society, the gasoline tax is a tax that hits the poor the hardest. As a matter of fact, according to the Bureau of Labor Statistics, in 1987, it shows that the poorest 20 percent of Americans devote 8.8 percent of their expenditures to gasoline and motor oil while the wealthiest 20 percent devote only 3.1 percent of their expenditures to such things.

So when we talk about a tax that really hits those who are the poorest in

take some action to provide a little growth in the economy with capital gains relief.

We also tried to raise the earnings of our seniors who are retired. Why in the world do we want to make people who are between 65 and 70 years old pay, really, for continuing to work if they make over \$11,500 a year? Of course we have now raised that, thank goodness. We are getting it up to \$30,000, and I hope that is a step toward eliminating the penalty on Social Security if you are between 65 and 70 and you want to keep working. You are productive. You want to pay into the General Treasury. You make more money and you pay taxes on it.

There is a terrible disincentive in America to work hard and be productive so you can provide for your children, for your family, for the needs in your community and in your churches and synagogues. There is a mentality in this city that Washington knows best. We will bring it to Washington in every form of tax increase known to the minds of men and then we will decide how your children will be taken care of, what money will go for what education programs.

That is wrongheaded. We should begin tomorrow by eliminating this gas tax increase. I appreciate this opportunity to address this issue. I believe the American people are overwhelmingly with us on this issue and, as a matter of fact, on overall fairness in the Tax Code and some relief so they can keep more of their money and invest it or save it or use it to help their children in a way that, frankly, will help the future economy of our country.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I thank the majority whip, the distinguished Senator from Mississippi, for the contributions he has made to this debate, laying it out, underscoring the pressures that this tax has put on the American working family.

Just as an aside, the third paragraph of the letter that was referred to by the Senator from Idaho a few moments ago is very interesting. It has been printed for the RECORD but I want to underscore it:

Based on the average trucker purchasing 14,000 gallons per year of diesel fuel, it is estimated that a repeal of the 4.3 cents per gallon tax will save trucking companies \$600 per vehicle per year.

Across the board—we have been talking about what it means to the average family. We have seen figures from \$50-plus to nearly \$200 per year that the average working family will save, that will stay in their checking account instead of being sent to the Treasury. But the thing we have not heard a great deal about is that when you lower the cost to operate that truck \$600 per year, when you lower the cost

to operate the sales fleet thousands of dollars, when you lower the cost of every form of public transportation—of jet fuel, taxicab gasoline, the public bus—what happens is throughout the economy the costs come down so the consumer will ultimately save, not only their own direct costs, which is what we have heard so much about, but the indirect saving. Somewhere down the line the cost of goods is less. It does not cost as much to ship the jar of peanut butter. So somewhere down the line there is a saving that works its way through the entire economic system.

We have had a lot of discussion about: This is just a beginning. Unfortunately, that is the case. But it is going in the right direction. A few moments ago I said every working family gave their paycheck to the Government from January 1 to May 7 and that it was May 8 before they got to keep their first paycheck. Maybe this repeal will start moving it back towards May 6, keeping in mind that, as far as the American people are concerned, we need to move that day all the way back to March 1. That is the date. January 1st to March 1 is the period of time which every segment of American society is prepared to contribute to the Government for the services they receive. Every day after March 1, March 2, 3, 4, 5—all the way through May 7, the American people feel is an excessive burden. And they are right. I am going to come back to that in just a moment.

President Clinton in his book, "Putting People First," declared, "I oppose Federal excise gas tax increases." Earlier that year, reacting to Paul Tsongas, who was also a candidate for President, and who had proposed increasing the gas tax, President Clinton, then candidate Clinton said: "It sticks it to the lower income and middle income retired people in the country and it is wrong." He was right. It is wrong. But then the President was elected and in August of the next year he proposed the largest tax increase in American history, which included raising gas taxes—diesel fuel, jet fuel—4.3 cents per gallon.

There was a lot of debate at that time, just like there is right now. All these facts that have been pointed out by all these Senators on the floor were made clear then. But the President sided with those in his administration who wanted very much to impose this new tax increase.

This is a statement that I find uniquely interesting:

"A buck a week"—

Mr. President, I want to repeat that.

"A buck a week," Clinton scoffed at those who suggested he was hurting the very middle class he had promised to help.

He scoffed at it; it is only a buck a week.

I will tell you what, Mr. President, about 2 years ago, the Georgia Legislature, responding to a request from the Governor's office, imposed a license on

auto tags, a new fee. It ranged from \$10 to \$15 per tag. That is \$1 a month, not \$1 a week; just \$1 a month, and we almost had another Boston Tea Party in Georgia. That was repealed very quickly. A buck a month.

Of course, as we now know, it is not just a buck a week, but say it was. You do not scoff at this, and the reason you do not is because the American working family has been pushed to the wall—pushed to the wall—in their ability to do those things which we ask them to do.

To revisit it, a Georgia working family earns on an average \$45,000 a year. They have two parents working and two kids. Their total Federal tax on income comes to \$9,511. The total State and local tax is \$5,234. The estimated cost of Federal regulation to the family—and this is a number most Americans are not appreciative of—is \$6,615.

Incidentally, Mr. President, if you add the cost of regulatory burdens, you do not really get to keep your paycheck on May 8. That is just taxes. You really—and it is a unique date—you really do not get to keep your first paycheck until—it is an interesting day—July 4th, Independence Day. That is really the first day when you add on regulatory burdens.

But this average family, then, in Georgia is basically paying 52 percent of their gross income to the government, to regulatory burdens, and it is no wonder they have become so anxiety ridden. It is no wonder that they are so worried about fulfilling their responsibilities for their family, their community and their country.

As I said when I began these remarks, Thomas Jefferson, if he were here today, would wonder if we are still free. He would pose the question: "Can a country be free when the governments that run it confiscate and take over half the wages of the bread earner?"

If you read through Thomas Jefferson's work, he alludes to this throughout his work. It was the nature of government to grow, and it is the nature of government to consume the wages of those who deserve it, those who work for it. He warned us not to do that. This repeal of the gas tax is the first step of a long, arduous journey. It is at the core of fundamentally sound policy that we begin to return the fruits of labor to those who work for it and that we quit interfering with their rights to determine their own priorities for their own family, for their own dreams.

This is an elegant work, Mr. President. It is an allegiance to the founding principles of this country, to the work of Thomas Jefferson, Adams, Monroe, and Franklin. They never would have envisioned—ever—that this country would be governed in such a way as to absolutely take from the bread earner half of what they earned. They would never in their wildest dreams have imagined that we could come to that kind of condition.

In Georgia alone, this fuel tax, which has been described by some on the

other side of the aisle as inconsequential, removes from the State nearly a quarter of a billion dollars. This 4.3 cents takes \$168 million out of the checking accounts of the working families and businesses in motor fuel. It takes \$28.5 million out of the State in new taxes for diesel fuel. It takes \$27.5 million out of the State in jet fuel. It takes it out of those local accounts and moves it to the Treasury for an expanding Federal Government.

It was wrong when it was imposed. It is a regressive tax, uniquely hard on the elderly and the poor. It was appropriated from users to expand Federal spending. It was not even used to make better highways and safer highways for the people who use them. It was used to expand Federal spending. It hurts the working family, it hurts the economy, and it raises costs of all goods, because energy is built into the cost of all goods.

So, Mr. President, as I said, the American family cannot keep their first check until May 8. Maybe we can save them a day and give them 1 more day's pay by getting this money back into their checking accounts where it belongs.